San Francisco Bay Area Rapid Transit

Office of the Inspector General

FY 27-29 Audit Plan

An evolved risk-based oversight framework that extends and refines the priorities established in the OIG's FY 26-28 Audit Plan.

Message from the Inspector General

I am pleased to present the BART Office of the Inspector General's Fiscal Year (FY) 27-29 Audit Plan, an evolving risk-based oversight framework that extends and refines the priorities established in the OIG's FY 26-28 Audit Plan. The updated plan reflects our commitment to adapting to emerging risks, changing operational conditions, and targeted opportunities to improve accountability, strengthen internal controls, and protect public resources.

Since adoption of the FY 26-28 Audit Plan, we have completed or substantially advanced several planned audit projects, including portions of our benefits administration work through a series of workers' compensation audits. These efforts have provided valuable insight into workforce-related risks while allowing us to reassess priorities and identify new opportunities for improvement, cost savings, cost avoidance, and risk reduction.

Our FY 27-29 Audit Plan reflects vulnerabilities identified through performance audits, investigations, and continuous risk assessments. While maintaining focus on areas such as asset management, capital projects, contracting, and workforce compensation, our FY 27-29 plan expands our attention to property and lease management, purchase card oversight, physical security controls, security-related contracts, and body-worn camera governance.

These audit areas address financial, operational, compliance, and reputational risks to BART. Targeting our resources where the opportunity is greatest to control costs and improve processes demonstrates our continued commitment to safeguarding public resources with the highest standards of efficiency, integrity, and fairness.

Sincerely,

Claudette Biemeret

About Audits

The OIG conducts performance audits to contribute to public accountability and transparency, and to assess whether BART carries out its functions and provides services to the public effectively, efficiently, economically, ethically, and equitably. Performance audits assist in improving operations, reducing costs, facilitating decision making, and initiating corrective action. They also ensure that work is being done as intended.

The Five Es

Under federal Generally Accepted Government Auditing Standards (GAGAS), Performance audits consider the "five Es" in determining how management carries out its responsibilities:

Effectively: Does the organization achieve its intended objectives?

Efficiently: Does the organization get the most value from available resources?

Economically: Does the organization minimize the costs of resources used in performing its functions while meeting timeliness and quality considerations for those resources?

Ethically: Does the organization administer its programs, functions, or activities in a manner that advances the collective interest of the public rather than private gain and is it conducted with honesty, integrity, and impartiality?

Equitably: Does the organization consistently serve the public, distribute public services, and implement public policy in a manner that promotes fairness, justice, and equality?

Categorization

Our FY 27-29 Audit Plan organizes oversight activity into six categories that reflect where we are finding risk today. Each category includes subject areas and potential audit objectives that may be pursued individually or in combination depending on operational conditions and resource availability.

1 Asset & Property Stewardship

Preventing loss, improving utilization, and strengthening accountability for public assets.

2 Capital Investments

Protecting investments, preventing overruns, and maximizing long-term value.

3 Contracting & Procurement

Strengthening competition, transparency, and accountability for public expenditures.

4 Workforce Costs & Compensation

Promoting fiscal responsibility, accuracy, and transparency in workforce costs.

5 Accountability & Security Systems

Reducing vulnerabilities, strengthening access controls, and improving accountability.

6 Non-Revenue Fleet Resources

Reducing misuse, optimizing maintenance, and strengthening policy compliance.

Delivering Public Value Through Independent Oversight

Our FY 27-29 Audit Plan is designed to maximize the value of our oversight resources by focusing audits where they can deliver the greatest benefit to BART and the public. Collectively, the audit areas included in this plan support four overarching outcomes that strengthen BART's stewardship of public resources and promote accountable, effective governance:

Audit Area	Protect Public Resources	Reduce Fraud Risk & Loss	Improve Operations	Strengthen Accountability
Asset & Property Stewardship	●●●	●●	●●●	●●
Capital Investments	●●●	●●	●●●	●
Contracting & Procurement	●●●	●●●	●●	●●●
Workforce Costs & Compensation	●●	●●●	●	●●
Accountability & Security Systems	●	●●●	●●	●●●
Non-Revenue Fleet Resources	●●	●●	●●●	●

●●● = *Primary Impact* ●● = *Significant Impact* ● = *Supporting Impact*

AUDIT CATEGORIES

1

Asset & Property Stewardship

Preventing loss, improving utilization, and strengthening accountability for public assets.

BART manages a substantial portfolio of physical assets, equipment, facilities, and real property. Effective stewardship requires strong controls from acquisition to utilization, maintenance, and disposal. Weaknesses in these areas can result in financial losses, inefficiencies, underused resources, and diminished public value.

Subject Area	Potential Audit Objectives
Equipment Accountability	Are capital assets accurately tracked and accounted for throughout their lifecycle?
Retirement & Disposal Practices	Are retired, surplus, or disposed assets appropriately documented and safeguarded?
Property Utilization	Are BART-owned properties being effectively used to support operational needs and strategic objectives?
Lease Management	Are lease agreements properly administered, monitored, and generating expected revenue?
Warranty & Recovery	Are warranties, credits, and recovery opportunities identified and pursued?

2

Capital Investments

Protecting investments, preventing overruns, and maximizing long-term public value.

Capital investments represent some of the District's largest expenditures and carry significant operational and financial risk. Effective oversight helps ensure projects deliver intended benefits, protect funding sources, and provide long-term value.

Subject Area	Potential Audit Objectives
Funding Compliance	Are expenditures properly tracked and charged to the correct funding sources?
Lifecycle Costing	Are long-term maintenance and replacement costs adequately considered?
Preventive Maintenance	Are assets properly maintained to protect capital investments?
Return on Investment	Are project outcomes measured against original expectations and assumptions?

Audit Categories

3

Contracting & Procurement

Strengthening competition, transparency, and accountability for public expenditures.

Contracting and procurement activities involve significant public expenditures and require strong oversight to ensure competition, accountability, performance, and value. Weak controls result in excessive costs, poor performance, favoritism, or misuse of public funds.

Subject Area	Potential Audit Objectives
Contract Management	Are contracts adequately monitored to ensure compliance with terms and deliverables?
Contractor Performance	Are vendors meeting contractual requirements and performance expectations?
Security Contracts	Are security service contracts appropriately managed, monitored, and enforced?
Purchase Card Oversight	Are purchasing card transactions appropriate, adequately documented, and compliant with policy?
On-Call Contracts	Are on-call contracting mechanisms being used effectively, efficiently, and appropriately?

4

Workforce Costs & Compensation

Promoting fiscal responsibility, accuracy, and transparency in workforce costs.

Compensation remains one of BART’s largest operating expenses and continues to present opportunities for cost savings, fraud prevention, and operational improvement. Oversight in this area promotes accuracy, transparency, compliance, and fiscal responsibility.

Subject Area	Potential Audit Objectives
Cost-Containment	Are opportunities available to reduce premium pay and other avoidable labor costs?
Pay & Benefit Coding	Are compensation-related transactions accurately recorded and administered?
Reporting Accuracy	Are compensation-related reports complete, accurate, and reliable?
Separation Costs	Are compensation practices contributing to avoidable payout liabilities?

Audit Categories

5
Accountability & Security Systems

Reducing vulnerabilities, strengthening access controls, and improving accountability.

Security programs rely on effective governance, internal controls, monitoring, and accountability. Weaknesses in access controls, security oversight, or evidence management expose BART to safety, operational, legal, and reputational risks.

Subject Area	Potential Audit Objectives
Physical Access Controls	Are access privileges appropriately assigned, monitored, and removed when no longer needed?
Badge Administration	Are physical access systems effectively managed and periodically reviewed?
Body-Worn Cameras	Are body-worn camera policies followed and program controls functioning as intended?
Evidence & Data Retention	Are security-related records maintained consistent with legal and operational requirements?
Monitoring & Oversight	Are security systems and activities subject to appropriate management review and accountability mechanisms?

6
Non-Revenue Fleet Resources

Reducing misuse, optimizing maintenance, and strengthening policy compliance.

BART's non-revenue vehicle fleet supports maintenance, safety response, inspections, and field operations throughout the District. Effective oversight is necessary to ensure vehicles are used appropriately, maintained properly, and deployed efficiently.

Subject Area	Potential Audit Objectives
Fleet Composition	Is the fleet appropriately sized relative to operational demand and needs?
Preventive Maintenance	Are vehicles receiving required preventive maintenance to maximize their useful life?
Operating Costs	Are operating costs properly controlled, authorized, and recorded?
Usage Analysis	Are vehicles being properly assigned and used efficiently for authorized purposes?

Delivering Meaningful Results

Each category in this audit plan is selected for its potential to improve stewardship of public resources, reduce fraud risk and loss, enhance operational performance, or increase public accountability. Together, they reflect our commitment to delivering measurable value through independent, risk-based oversight.

Protect Public Resources

OIG audits identify opportunities to safeguard public assets, recover or preserve revenues, protect external funding, reduce unnecessary expenditures, and improve stewardship of District resources.

Examples

- Improve property & lease management
- Reduce improper payments
- Protect funding
- Strengthen asset accountability

Reduce Fraud & Risk

Audits evaluate internal controls to detect fraud, waste, and abuse while reducing operational, financial, security, and compliance risks before they result in significant losses.

Examples

- Strengthen procurement controls
- Improve security contract oversight
- Reduce opportunities for misuse
- Improve policy & regulation compliance

Improve Operations

Independent audits identify opportunities to improve efficiency, optimize resource allocation, strengthen decision-making, and enhance organizational performance.

Examples

- Improve vehicle use
- Enhance contract management
- Optimize capital investment decisions
- Strengthen workforce management

Strengthen Accountability

Oversight promotes transparency, reinforces public trust, and provides independent assurance that District programs and resources are managed responsibly and in the public interest.

Examples

- Strengthen physical access controls
- Improve body-worn camera oversight
- Enhance monitoring & reporting
- Reinforce governance & internal controls

Providing Independent Oversight of the District's Use of Revenue

Stop Fraud, Waste, & Abuse
Report What You See to the OIG

24/7 Fraud, Waste, & Abuse Whistleblower Hotline

www.bart.gov/oighotline

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